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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of )  
 )  
End User Common Line ) CC Docket No. 95-72  
Charges )

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COMMENTS OF AMERITECH

Ameritech<sup>1</sup> submits these comments in response to the Commission's notice of proposed rulemaking in this docket.<sup>2</sup>

In the NPRM, the Commission specifically solicits comments on the application of end user common line charges, otherwise known as subscriber line charges ("SLCs"), in connection with integrated services digital network ("ISDN") and other services that permit multiple voice-grade-equivalent channels to be provided to a customer over a single facility.

The Common Carrier Bureau has concluded that the Commission's rules require the assessment of an SLC for each derived voice grade channel of a service that provides multiple voice-grade-equivalent channels.<sup>3</sup> This would require the assessment of 23 SLCs in connection with ISDN primary rate interface ("PRI"). The Commission affirmed the Bureau's ruling.<sup>4</sup>

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<sup>1</sup> Ameritech means: Illinois Bell Telephone Company, Indiana Bell Telephone Company, Incorporated, Michigan Bell Telephone Company, The Ohio Bell Telephone Company, and Wisconsin Bell, Inc.

<sup>2</sup> In the Matter of End User Common Line Charges, CC Docket No. 95-72, Notice of Proposed Rulemaking, FCC 95-212 (released May 30, 1995) ("NPRM").

<sup>3</sup> In the Matter of NYNEX Telephone Companies, Revisions to Tariff F.C.C. No. 1, Trans. No. 116, Memorandum Opinion and Order, 7 FCC Rcd. 7938 (Com. Car. Bur. 1992).

<sup>4</sup> In the Matter of NYNEX Telephone Companies, Revisions to Tariff F.C.C. No. 1, Trans. No. 116, Order on Reconsideration, F.C.C. 94-356 (released January 11, 1995) 10 FCC Rcd. 2247.

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In this proceeding, the Commission has solicited comments on several options for the assessment of SLCs for derived channel services. Ameritech supports the comments of USTA, which essentially advocates the Commission's "per-facility" approach. Ameritech, however, suggests a slight modification of that approach. As the Commission noted, the per-facility approach is problematic if a customer's local loop is provided over coaxial or fiber optic cable -- i.e., if several customers share a single "facility". Instead, Ameritech suggests that a single average SLC be charged "per service interface" for each service connected to the public switched network. The result would be essentially a continuation of the policy envisioned by the Commission when access charges were first established -- i.e., that each exchange service application "pay" a single SLC which is designed to recover the interstate costs of all the carrier's loop facilities averaged over all geographic areas within the study area and over all technologies and service applications.<sup>5</sup> This approach avoids administrative problems associated with devising separate SLC rates to recoup separate revenue requirements associated with different technologies. It also avoids problems associated with charging different SLCs to different customers subscribing to the same service when their service is provided via different technologies.

As to whether the per service interface option carries with it a danger of raising the carrier common line ("CCL") charge, Ameritech believes that the risk is not substantial. Shifting the embedded base to this approach should not have such an effect immediately because the size of the embedded base is relatively small. In Ameritech's

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<sup>5</sup> The single-line and multi-line rates today are in reality a single charge designed to recover a single revenue requirement. The single-line rate is simply the result of a lower cap for single-line customers.

case, this approach would change the number of SLCs assessed on ISDN PRI and digital PBX trunks from two (1 per copper pair facility) to one.<sup>6</sup> Moreover, the proliferation of derived channel services will likely result in the lowering of loop costs on average to the benefit of both end users and payers of the CCL charge. Ultimately, as it has said previously, Ameritech believes that all non-traffic sensitive loop costs should be recovered from end users.

As USTA notes, charging SLCs based on per-channel equivalents would greatly increase the cost of and reduce the demand for new, advanced services such as ISDN that could otherwise speed consumers' entry into the information age relatively inexpensively. On the other hand, the per service interface approach would continue the current policy of treating all service applications as equal contributors to the recovery of non-traffic sensitive loop costs. That is especially appropriate when new derived-channel services do not generate any extraordinary additional loop costs when compared to their POTS ("plain old telephone service") counterparts.

Respectfully submitted,



Michael S. Pabian  
Attorney for Ameritech  
Room 4H82  
2000 West Ameritech Center Drive  
Hoffman Estates, IL 60196-1025  
(708) 248-6044

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<sup>6</sup> To ensure that no increase in the CCL would happen upon the transfer, Ameritech would agree to a permanent mechanism to restrict an increase in the CCL because of the drop in SLC revenues from the embedded base of ISDN prime and digital PBX trunk customers.